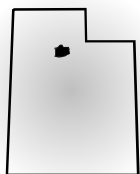


County Trends



Salt Lake

June 2003

A Local Economic Perspective

Recession Woes

By the end of 2002, the temporary Winter Olympics jobs were gone from the Salt Lake County economy. When the dust had settled, the apparent impact of the national recession has been a payroll employment level just shy of those seen three years earlier – at the end of 1999.

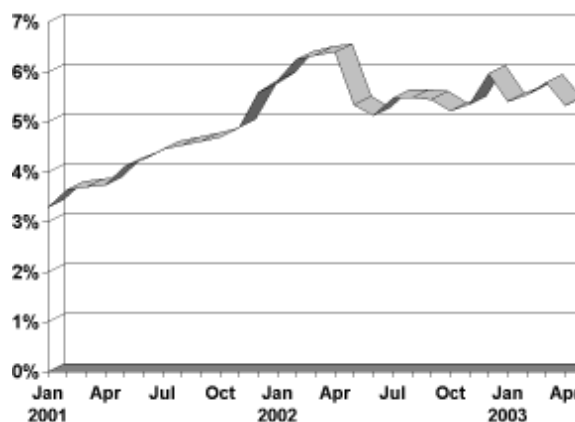
For just over a year now unemployment has hovered between 5 and 6 percent in Salt Lake County. In the last half of 2002 there were about 27,000 unemployed Salt Lakers. Joblessness has increased to average about 29,000 during the first half of 2003 as the Salt Lake economy has yet to find its legs for recovery.

No Growth in Payrolls

Nonfarm payroll employment was uncharacteristically stable (or stagnant) during 2002 except for the temporary up tick of jobs for the Winter Olympics. For the year the average number of nonfarm jobs was about 533,800. The fewest number of payroll jobs was recorded in July at 528,664. This is just below the level of employment in July 1999.

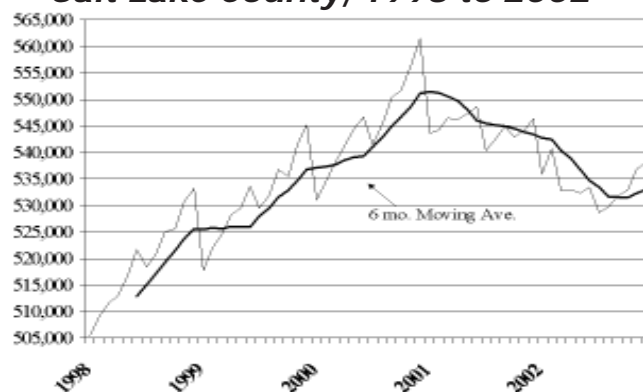
This would appear to be the bottom of the current recession. However, because of the normal seasonal increase in nonfarm jobs that occur at the end of each year, it is not clear whether payroll employment has begun to expand during 2003. The latest information suggests that any net new

Seasonally Adjusted Salt Lake County Unemployment Rates



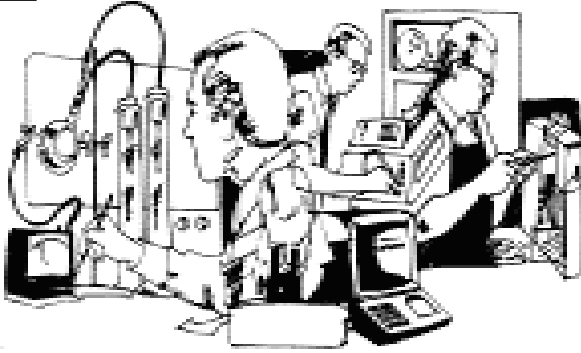
Source: Utah Department of Workforce Services.

Monthly Nonfarm Employment in Salt Lake County, 1998 to 2002

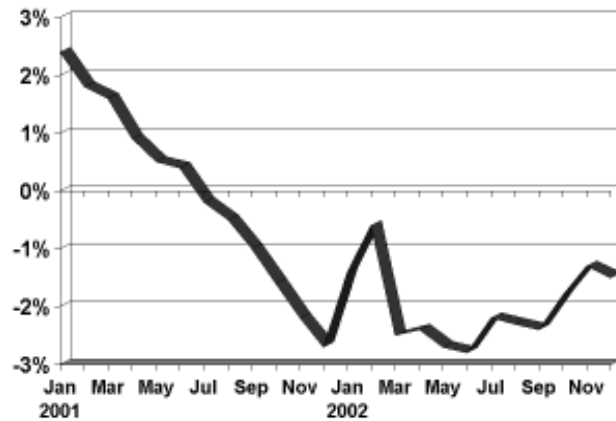


Source: Utah Department of Workforce Services.





Year-Over Change in Salt Lake County Employment



Source: Utah Department of Workforce Services.

expansion in nonfarm payroll employment has yet to occur in Salt Lake County.

To the Point

The recession and "jobless recovery" have left the Salt Lake County economy with about the same number of nonfarm payroll jobs at the end of 2002 as were recorded in 1999 -- no gains to show for the last 3 years. The number of employed Salt Lakers has increased as the ranks of the self-employed and other non-payroll workers have swelled.

Since the end of 1999, there have been both expanding and contracting industries. Over the past three plus years significant job losses have been recorded in manufacturing (-5,500), professional and business services (-4,000) and construction (-3,700). Notable job gains occurred in health care (+4,500), financial activities (+4,000) and other services (+3,000).

Self-employment Expands

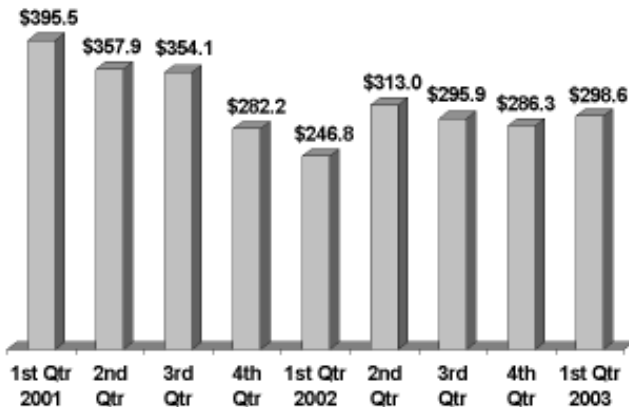
There were more people in Salt Lake County employed during 2002. But these people are not on payrolls with unemployment insurance – they are self-employed, partnerships, family workers, or others not covered by unemployment insurance laws. It is estimated that there were about 5,700 more employed persons in Salt Lake County in 2002 compared to 2001 while “nonfarm payroll” jobs on average declined by 10,900.

Construction is Holding Up

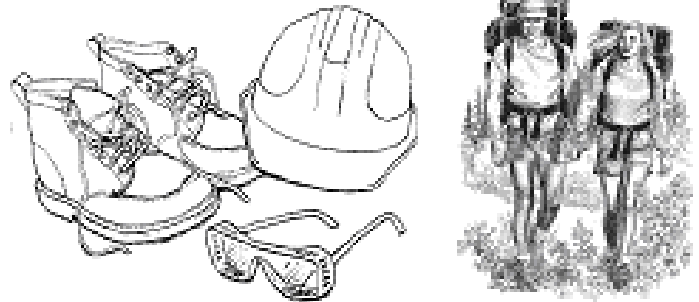
The exceptionally low interest rates continue to spur on relatively high levels of residential housing construction. The lingering effects of the recession are still widely felt in nonresidential construction with reductions in office space, commercial, and industrial construction. On balance, with the continued strength in housing, the total value of construction in the county

Total Salt Lake County Approved Construction Values

(millions \$)



Source: Utah Bureau of Economic & Business Research.



has held up in recent quarters.

Sales are Down

Even with the run up to the Winter Olympics in 2001 and the actual games during 2002, taxable sales in Salt Lake County have not grown in the past two years. Total sales were about 15.7 billion in 2002 or 1.5 percent below the total for 2000 of 15.9 billion. This is one of the most striking effects of the recession and struggle to resume growth. From 1996 to 2000 taxable sales grew in Salt Lake County on average 6.3 percent per year.

The Outlook

Salt Lake County should see modest improvement throughout most industries during the second half of 2003, with continuing strength in health care and education related employment. Record low interest rates, federal tax cuts, and improving business conditions should result in some new job creation. Cross your fingers . . . we need all the "good karma" we can get.

Jim Robson, Regional Economist
jrobson@utah.gov, 801-526-9626

Quick Facts

May 2002

Unemployment Rate

Salt Lake County	5.5%
Utah	5.4%
U.S.	6.1%

Dec. 2002 Change from Previous Year

Job Growth

Salt Lake County	-1.5%
Utah	0.2%
U.S.	-0.2%

4th Qtr 2002 Change from Previous Year

Construction Values

Salt Lake County	1.5%
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Sales

Salt Lake County	-2.7%
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Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

For more economic information about Salt Lake County see:
<http://jobs.utah.gov/wi/regions/county.asp>

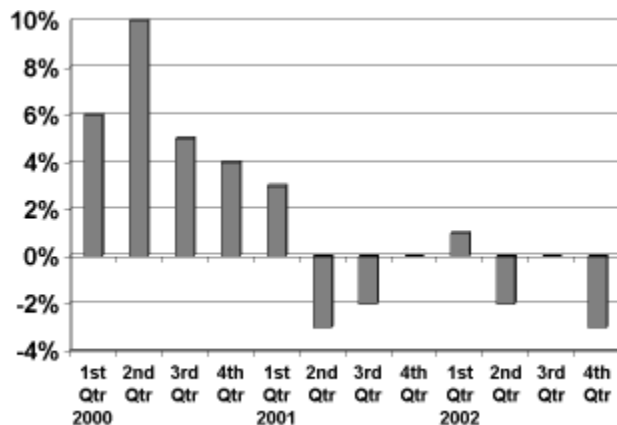
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

ADDRESS SERVICE REQUESTED

Year-Over Change in Salt Lake County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



03-13CSL-0603

Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128

What's Up? ⁴

- Westminster College held a groundbreaking for a \$6.5 million, 36,000-square-foot addition to the Jewett Center for the Performing Arts.
- Groundbreaking for the new Emma Eccles Jones Research Building began the two-year construction period of a \$25 million ultra-high tech research facility.
- The Salt Lake Chamber and the Downtown Alliance, two of Salt Lake City's best-known business advocacy organizations, have agreed to merge.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/central/saltlake/saltlakeeee.pdf>

